

BAKO North Western Group Limited
5th Annual General Meeting
Thursday 26 September 2019

The BAKORY, BAKO North Western Group Ltd, Preston

Present:	Joe Hall	Chairman
	Philip Marshall	Deputy Chairman
	Alan Moore	Director
	Janet Hill	Director
	David Yates	Director
	Duncan Hindley	Director
	Dianne Walker	Non-Executive Director
	Anthony Sutton	Board Consultant
	Mike Tully	Group CEO
	Kirti Hirani	Chief Financial Officer

Secretary : Louisa Uttley

1 Welcome Shareholders

The Chairman, Joe Hall, opened the meeting at 14.00, welcoming all present to BAKO North Western Group's fifth Annual General Meeting. He then reminded those present that only Ordinary Shareholders were entitled to vote and that only one person from each Company represented could vote.

He also reminded those present that, should they wish to speak or ask a question, they should raise a hand and state their name and Company for the record.

Apologies

Apologies were received from Shareholders too numerous to mention.

2 Introductions

The Chairman went on to introduced Nick Harris, MD of the Wimbledon depot, Paul Long, MD of the Durham Depot and Cheryl Hope, Group Commercial Manager, based at Preston.

Also in attendance at the meeting was Ian Taylor of RSM (External Auditors).

As the Director nominated for re-election at the AGM, Janet Hill introduced herself to those present at the meeting. Janet has been on the Board for 3 years and in that time has participated in a number of activities and initiatives including taking the lead on the Risk Committee.

3 Points covering individual trading companies

Mike Tully gave a brief overview of the individual companies.

The Wimbledon depot has seen a reduction in losses from £1.2m to £700k in the trading year and our efforts have been concentrated on stabilising the business by ensuring there is good management and industry experience available on site.

Results at Wimbledon are further boosted by the merger of the ABC depot at Norwich into Wimbledon. 80% of the ABC customers are still trading with BAKO nine months after this transition which is encouraging.

At Preston, profits have increased from £1.2m to £2.3m, despite increased competitor activity. Cost efficiency initiatives are ongoing and are yielding some positive results, particularly in transport.

The Durham depot has seen profits increase from £1.1m to £1.7m driven by the recruitment of staff with bakery experience. Staff engagement has been enhanced with the introduction of a new staff forum. There are plans to widen this across the Group in coming months.

Future plans for the Group include digitalisation, efficiency drives, enhanced online ordering and improvements to the website. The introduction of a new ERP system across all sites will improve process and controls and improve data analysis.

Corporate Social Responsibility will feature heavily in our future strategy with the reduction in plastics and waste, use of metal / reusable palets, renewable energy and rain water collection.

The company is preparing for Brexit by holding increased stock where possible, monitoring ordering patterns and working with suppliers regarding availability. To guard against fluctuations in Forex, we will use UK suppliers where possible.

4 Shareholder Rebate

Joe Hall confirmed that a rebate of £87,700 was paid in January 2019 in respect of shareholder sales for the period 1 April 2018 to 30 September 2018. He confirmed that the Board had agreed a further payment of £175,500 to be paid in January 2020 in respect of the period 1 October 2018 to 31 March 2019. This represented a rebate of 20% of profit before tax and an average of £585 per Shareholder, the highest for over 10 years.

5 Minimum Spend

41 shareholders who had not traded with BAKO in the period 1 April 2018 to 31 March 2019 were, in accordance with the Articles of Association, presented for buy back and cancellation at this AGM.

The minimum spend level of £10,400 per annum which was agreed at the 2018 AGM was reiterated at this AGM and will apply for shareholder sales for the period 1 April 2019 to 31 March 2020. Shareholders not achieving this minimum spend would be presented for buy back and cancellation at the 2020 AGM. Current shareholder sales analysis suggests there will be 140 such shareholders.

David Robinson asked what the indication was regarding these 140 Shareholders, were some of them likely to reach the minimum trading limit? Joe Hall responded that he did not have definitive figures as yet, but his gut instinct was that many of them had ceased trading.

Joe Hall explained that the company had briefly opened up its shareholding recently and had been successful in recruiting 171 new Shareholders within a two and a half month window. The intention was to recommence shareholder recruitment shortly after this AGM.

David Robinson stated that he felt that the minimum trading level of £200 per week (£10,400 per annum) was rather low and perhaps this should be set higher to encourage better participation. It was explained that the level had been set so that it wouldn't exclude new start-ups and smaller businesses – the very reason BAKO had been established.

6 Answers to written questions submitted

No written questions had been submitted.

The Annual General Meeting opened at 14.20

The Chairman confirmed that a quorum for the meeting had been achieved and that the meeting should go ahead as scheduled.

6 Strategic report

The Chairman confirmed that the Strategic Report and Statutory Accounts had been made available for all Shareholders either in hard copy or via electronic format. He asked if there were any questions relating to the Strategic Report or Accounts. No questions were forthcoming.

7 Ordinary Resolution

The Chairman confirmed that a copy of all the proposed Resolutions had been provided to all Shareholders in advance of the meeting and that a number of proxy votes had been received.

The Chairman confirmed that a total of 24 proxy votes had been received, all in favour of the resolutions.

ORDINARY RESOLUTIONS

- 1 **THAT**, the terms of the contract produced to the meeting and signed by the Chairperson of the meeting for the purposes of identification (**Ordinary Purchase Contract**) proposed to be made between the Company and each of those Shareholders identified in the schedule thereto for the purchase from each named Shareholder of 40 Ordinary Shares of £1 each at a total aggregate consideration of £1,640 be approved and the company be authorised to enter into the Ordinary Purchase Contract

The Resolution was proposed by David Yates and seconded by Janet Hill. Of the proxy votes received, twenty four voted in favour and none against. Of the ten voting Shareholders present at the meeting, all ten voted in favour of the resolution, it was therefore passed unanimously.

- 2 **THAT**, the Statement of Accounts for the year ended 31 March 2019, together with the report of the Directors and Auditors thereon be received.

The Resolution was proposed by Duncan Hindley and seconded by Alan Moore. Of the proxy votes received, twenty four voted in favour and none against. Of the ten voting Shareholders present at the meeting, all ten voted in favour of the resolution, it was therefore passed unanimously.

- 3 **That** the Directors remuneration and fees payable for the year ended 31 March 2019 be and hereby is approved.

The Resolution was proposed by David Robinson and seconded by Bob McKenna. Of the proxy votes received, twenty four voted in favour and none against. Of the ten voting Shareholders present at the meeting all ten voted in favour of the resolution, it was therefore passed unanimously.

- 4 **That** Janet Hill, who retires by rotation as a Director in accordance with the provisions of the Articles of Association and who, being eligible, offers herself for re-appointment as a Director of the Company be and hereby is re-appointed.

The Resolution was proposed by Alan Moore and seconded by Bob McKenna (Shareholder no. 14055). Of the proxy votes received, twenty four voted in favour and none against. Of the ten voting Shareholders present at the meeting, nine voted in favour of the resolution, with Janet Hill being ineligible to vote, it was therefore passed unanimously

6 **That** Dianne Walker, who stands for re-election in accordance with the Articles of Association, and who, being eligible, offers herself for re-appointment as a Director of the Company be and hereby is re-appointed.

The Resolution was proposed by David Yates and seconded by Ray Lyons (Shareholder no. 14203). Of the proxy votes received, twenty four voted in favour and none against. Of the ten voting Shareholders present at the meeting all ten voted in favour of the resolution, it was therefore passed unanimously.

7 To authorise the Directors to appoint the auditors of the Company and to fix their remuneration.

The Resolution was proposed by David Robinson (Shareholder no. 14420) and seconded by Duncan Hindley. Of the proxy votes received, twenty four voted in favour and none against. Of the ten voting Shareholders present at the meeting all ten voted in favour of the resolution, it was therefore passed unanimously.

The meeting of all Shareholders closed at 14.28